NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE



PAID UP OIL AND GAS LEASE (No Surface Use)

Corporation whose address is 2864 Mississippi Avenue, Fort Worth, Texas 76104, as Lessor, and DALE PROPERTY SERVICES, L.L.C., 2100 Ross Ayenue, Suite 1870 Dallas Texas 75201, as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described

land, hereinafter called leased premises:

SEE EXHIBIT "A" attached hereto and by reference made part hereof.

in the county of TARRANT, State of TEXAS, containing of gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of Four (4) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained

in effect pursuant to the provisions hereof.

3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons. separated at Lessee's separator facilities, the royalty shall be Twenty-Five Percent (25)% of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casing head gas) and all other substances covered hereby, the royalty shall be Twenty-Five Percent (25)% of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs (25)% of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder, and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of either producing oil or gas or other substances covered hereby in paying quantities or such wells are waiting on hydraulic fracture stimulation, but such well or wells are either shut-in or production there from is not being sold by Lessee, such well or wells are shut-in or producting in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such well or wells are shut-in or production there from is not being sold by Lessee's tredit in the depository designated below, on or before the end of sald 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut-in or production there from is not being sold by Lessee; provided that if this lease is otherwise being maintained by operations, or if production is being sold by Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall be due until the end of the 90-day period next following cessation of such operations or production. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not oper

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor's credit in at lessor's address which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by Check or by draft and such payments or tenders to Lessor or to the depository by deposit in the US Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive naments.

5. Except as provided for in Paragraph 3. above, if Lessee dritts a welt which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production there from, this lease shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, provided that a larger unit may be formed for an oil well or gas well or a horizontal completion to conform to any wel

horizontal completion shall not exceed 840 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, If no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means an well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means an well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means an well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means an well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means an well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means an well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means an well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means an well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means an well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means an well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means an well

of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the

rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shuf-in royalfies hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest refained hereupofer.

the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest to less than all of the area covered hereby, Lessee's obligation to pay or tender shul-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in brimary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pips, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, to the analysis of the entire leased premises and the produce of the entire leased premises and the produce of the entire leased premises or lands probled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premise described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease, and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands and to commercial timber and growing crop

and all other perturent terms and conditions or the orier. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preserved right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes,

mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this lesse, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER QNE OR MORE) re As Director of Mount Rose By: Erma Johnson-Hadley, As Director of Mount Rose Willie T. Missionary Baptist Church of Fort Worth, A Texas Missionary Baptist Church of Fort Worth, A Texas Corporation. By: Eva Renee Phomas, As Director of Mount Rose By: Thelma Alberta Thomas, As Director of Mount Rose Missionary Baptist Church of Fort Worth, A Texas Missionary Baptist Church of Fort Worth, A Texas Corporation. Corporation.

CORPORATE ACKNOWLEDGMENT

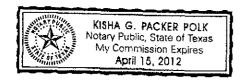
STATE OF TEXAS COUNTY OF TARRANT 11 Hay of TUNE 2008, by Erm Johnson-Hadley of This instrument was acknowledged before me on the Mouthose Missionary a TEXOS __corporation, on behalf of said corporation. Notary Public, State of TEXAS Notary's name (printed): Notary's commission expires: KISHA G. PACKER POLK Notary Public, State of Texas My Commission Expires

CORPORATE ACKNOWLEDGMENT

STATE OF TEXAS COUNTY OF <u>TARRANT</u> This instrument was acknowledged before me on the MONATONE MISSIDULL a TEXAS corporati

"UNC Notary Public, State of TEXAS

Notary's name (printed): Notary's commission expires:



April 15, 2012

OPPOPATE ACKNOW! EDGMENT

CORPORATE ACKNOWLEDGMENT
STATE OF <u>TEXAS</u>
COUNTY OF TARRANT
This instrument was acknowledged before me on the 11th day of Trust 1 2008, by Thema after ta Thomas of
wall from Missionary at FXOS corporation, on behalf of said corporation.
Notary Public, State of <u>TEXAS</u>
Notary's name (printed):
KISHA G. PACKER POLK Notary Public, State of Texas My Commission Expires April 15, 2012

CORPORATE ACKNOWLEDGMENT

STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me on the day of Ture 2008 be MOUNT POSP MISSICULUS a TEXAS corporation, on behalf of said opporation.

Notary Public, State of TEXAS Notary's name (printed): Notary's commission expires:

D. Palar Palar of



EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated the of June , 2008, by and between Mount Rose Missionary Baptist Church of Fort Worth, as Lessor, and Dale Resources, L.L.C. as Lessee ("Lease"), to wit:

- .332 acres of land, more or less, being all of Lots 13 and 24, Block 58, out of the Ryan Southeast, an addition to the City of Fort Worth, Tarrant County, Texas according to that certain plat recorded in Volume 388, Page 7, of the Plat Records of Tarrant County, Texas
- .166 acres of land, more or less, being all of Lot 27, Block 53, out of the Ryan Southeast, an addition to the City of Fort Worth, Tarrant County, Texas according to that certain plat recorded in Volume 388, Page 7, of the Plat Records of Tarrant County, Texas
- .166 acres of land, more or less, being all of Lot 10, Block 34, out of the Southland Subdivision, an addition to the City of Fort Worth, Tarrant County, Texas according to that certain plat recorded in Volume 310, Page 11, of the Plat Records of Tarrant County, Texas
- .166 acres of land, more or less, being all of Lot 19, Block 35, out of the Southland Subdivision, an addition to the City of Fort Worth, Tarrant County, Texas according to that certain plat recorded in Volume 310, Page 11, of the Plat Records of Tarrant County, Texas
- .166 acres of land, more or less, being all of Lot 22, Block 58, out of the Ryan Southeast, an addition to the City of Fort Worth, Tarrant County, Texas according to that certain plat recorded in Volume 388, Page 7, of the Plat Records of Tarrant County, Texas
- .166 acres of land, more or less, being all of Lot 25, Block 58, out of the Ryan Southeast, an addition to the City of Fort Worth, Tarrant County, Texas according to that certain plat recorded in Volume 388, Page 7, of the Plat Records of Tarrant County, Texas
- 1.00 acres of land, more or less, being all of Lot 17,18,19,20,21 and the east 40 feet of lot16, Block 58, out of the Ryan Southeast, an addition to the City of Fort Worth, Tarrant County, Texas according to that certain plat recorded in Volume 388, Page 7, of the Plat Records of Tarrant County, Texas

Said lands are hereby deemed to contain 2.162 acres of land, more or less.



DALE RESOURCES 3000 ALTA MESA BLVD # 300

FT WORTH

TX 76133

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.

Filed For Registration: 07/30/2008 04:06 PM Instrument #: D208297212 SE 5 PGS \$28.00

D208297212

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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